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USAID GRANT AGREEMENT NO. 497-0011.01

USAID GRANT AGREEMENT NO. 498-0001

AMENDMENT NO. 1

STRATEGIC OBJECTIVE GRANT AGREEMENT

BETWEEN THE

UNITED STATES OF AMERICA

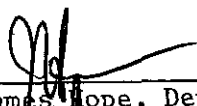
AND THE

REPUBLIC OF INDONESIA

FOR

ECONOMIC GROWTH

Certified to be a true copy of
the original signed by


James Hope, Deputy Program Director
October 11, 2002

DATED: September 28, 2000

Date: September 28, 2000

This STRATEGIC OBJECTIVE GRANT AGREEMENT, is entered into between the REPUBLIC OF INDONESIA ("Grantee") and the UNITED STATES OF AMERICA, acting through the U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT ("USAID").

WHEREAS, the Grantee and USAID entered into a Strategic Objective Grant Agreement for Economic Growth on August 31, 2000, whereby USAID agreed to grant to the Grantee funding not to exceed Twenty Three Million Three Hundred and Fifty Thousand United States Dollars (\$23,350,000) ("Grant Agreement").

WHEREAS, the Grantee and USAID now desire to further amend the Grant Agreement to provide an additional increment of USAID financing of Five Hundred Forty Eight Thousand Seven Hundred and Seven United States Dollars (\$548,707) and to revise particular provisions;

NOW, THEREFORE, the Grantee and USAID hereby agree as follows:

1. The first paragraph of Section 3.1 (a) of the Grant Agreement is revised to read as follows:

"SECTION 3.1.(a) The Grant. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of this Agreement not to exceed Twenty Three Million Eight Hundred Ninety Eight Thousand Seven Hundred and Seven United States ("U.S.") Dollars (\$23,898,707).

2. The Table 1 attachment entitled "Budget Summary", is deleted in its entirety, and substituted in lieu thereof by the Attachment Table 1, "Budget Summary - ECG Strategic Objective Amendment 1 (9/00)" attached to this Amendment No.1.

3. Section 6.1. entitled "Job Loss, Export Processing Zones and Worker's Rights" is deleted in its entirety and substituted in lieu thereof by the following paragraph:

SECTION 6.1. USAID Standard Provisions: F.1. Job Loss, Export Processing Zones and Worker's Rights, and F.2. Prohibition on Assistance to Drug Traffickers.

After a thorough review, the Parties have determined that the activities proposed for funding under this Agreement do not in any way relate to the Standard Provisions F.1. and F.2. of Annex 2. Should potential issues arise in the future under this Agreement, the Parties agree to work together to resolve any concerns related to Standard Provisions F.1. and F.2. of Annex 2.

4. Annex II, Section F.2. Prohibition on Assistance to Drug Traffickers is deleted in its entirety and the following provision is substituted in lieu thereof:

Section F.2. Prohibition on Assistance to Drug Traffickers

(a) USAID reserves the right to terminate this Agreement or take other appropriate measures if a key individual of the Grantee responsible for this program is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140 and the Grantee does not take satisfactory legal proceeding against such individual.

(b) USAID reserves the right to terminate assistance to or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

(c) The Grantee agrees not to disburse, or sign documents committing the Grantee to disburse, funds to a subrecipient designated by USAID ("Designated Subrecipient") until advised by USAID that: (1) any United States Government review of the Designated Subrecipient and its key individuals has been completed; (2) any related certifications have been obtained; and (3) the assistance to the Designated Subrecipient has been approved.

(1) The Grantee shall insert the following clause, or its substance, in its agreement with the Designated Subrecipient:

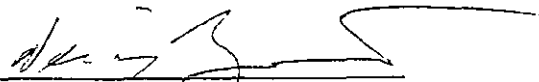
(2) The Grantee reserves the right to terminate this Agreement or take other appropriate measures if the Subrecipient or a key individual of the Subrecipient is found to have been convicted of a narcotic offense or to have been engaged in drug trafficking as defined in 22 CFR 140.

Except as amended herein, the Grant Agreement is unchanged and remains in full force and effect.

IN WITNESS WHEREOF, the Republic of Indonesia and the United States of America, each acting through its duly authorized representative, have caused this Amendment No. 1 to be signed in their names and delivered as of the day and year first above written.

UNITED STATES OF AMERICA

REPUBLIC OF INDONESIA


Desaix B. Myers
Mission Director
USAID Indonesia



Dr. Soekarno Wirokartono
Deputy Chairman for Macroeconomy
BAPPENAS

TABLE 1
BUDGET SUMMARY

Strategic Objective Grant Agreement Amendment 1 (9/00)
Economic Growth
in US\$

COMPONENT	AERA Original Agreement (a)	ECG Original Agreement (b)	TOTAL Original Agreement (c) = (a) + (b)	ECG This Agreement (d)	Future Obligation FY 01 - 04 (e)	TOTAL ANTICIPATED SO-AG FUNDING		
						A.I.D. Funding (f) = (c) + (d) + (e)	G.O.I.* Funding	Total Program
GRANTS	0	4,530,000	4,530,000	0	15,000,000	19,530,000	0	19,530,000
TECHNICAL ASSISTANCE	7,000,000	11,233,000	18,233,000	548,707	73,878,293	92,660,000	0	92,660,000
ADMINISTRATION & EQUIPMENT	0	387,000	387,000	0	2,321,000	2,708,000		2,708,000
AUDIT/EVAL	0	200,000	200,000	0	400,000	600,000	0	600,000
TOTAL	7,000,000	16,350,000	23,350,000	548,707	91,599,293	115,498,000	0	115,498,000

* Due to Economic Crisis, the 25% GOI contribution is not required